



**U.S. Department of Justice
U.S. Attorney's Office
Western District of Texas**

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FOR IMMEDIATE RELEASE

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May 7, 2004

ODESSA DOCTOR GUILTY OF HEALTH CARE FRAUD

United States Attorney Johnny Sutton announced today that a federal jury this afternoon in Midland, Texas, convicted 53-year-old Athar Niaz Rana, owner and operator of the Odessa Allergy Clinic, of defrauding federally-funded and private health insurers.

Rana's scheme to defraud began in September 1997, when he hired Dr. Richard Graham to work in his office for 10 days. According to Dr. Graham, Rana instructed him to order blood tests and X-rays for Medicaid patients in all circumstances without any requirement that these tests be medical necessity as required by the Medicaid contract. Rana admitted on cross examination that he ordered anyone with an injury to be X-rayed in order to keep him from being sued for malpractice. Rana billed Medicaid for these medically unnecessary tests.

In January 1998, Rana continued his scheme to defraud Medicaid, as well as Blue Cross/Blue Shield, by billing for double to quadruple the number of allergy tests than he actually performed on children under two years old. Rana claimed that he was unaware of the fraudulent billings and blamed his computer and his staff. Mona Spears, a former nurse and billing coordinator, testified that the over a six year period, the office computer was automatically set to bill more allergy test than were completed. Spears testified that this occurred frequently and she would inform Rana each time. Rana did nothing to change the system or ensure that he was filing accurate claims as required by law and contract. Rana billed Medicaid for \$20,000 for these fraudulent billings and was paid \$14,000 of taxpayer funds. He billed Blue Cross/Blue Shield \$18,000 for these fraudulent bills and was paid almost \$6,000. Rana never paid back any of these funds despite being put on notice of the improper billings.

Sentencing is set for July 26, 2004, before United States District Judge Robert Junell. Rana faces a maximum sentence of 10 years imprisonment, up to five years supervised release to follow, a fine of up to \$250,000, forfeiture of illegal proceeds up to \$26,000, and a \$100 special assessment for the Crime Victims Fund. By agreement of the parties, the forfeiture determination will be made by Judge Junell at time of sentencing.

The case was investigated by the Texas Attorney General's Office - Medicaid Fraud Unit, Federal Bureau of Investigation, Office of Personnel Management - Inspector General's Office and criminal investigators for the Food and Drug Administration. Assistant United States Attorney Mark Roomberg is prosecuting this case on behalf of the government.

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